Rhode Island

Marketing Division

1984 Annual Report

85-4870/

P.E.I. Development Agency

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March 31, 1985

The Honourable Wilbur MacDonald
Minister
Department of Industry
P.O. Box 2000
Charlottetown, P.E.I.
C1A 7N8

Dear Sir:

In accordance with the provisions of the Market Development Centre and the P.E.I. Development Agency Acts, I enclose the Annual Report of the continued marketing activities provided by the Market Development Centre and the P.E.I. Development Agency, Marketing Division, for the period January - December, 1984 and a Statement of the Market Development Centre accounts for the twelve months ending March 31, 1984.

Yours very truly,

Thomas L. DeBlois
Chairman
Marketing Committee

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B. Board of Directors and Staff

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Objectives - Marketing Division

The M.D.C./P.E.I.D.A., Marketing Division provides a marketing consulting service which is available to all Prince Edward Island primary producers, processors and manufacturers. This service is provided on a cost shared basis.

The objectives are as follows:

- to strengthen domestic markets for Agriculture, Fisheries and Manufactured Products originating on Prince Edward Island
- to explore, determine and develop international markets for Prince Edward Island products
- to determine market potential and encourage businessmen to take advantage of identified opportunities
- to provide marketing services to the provincial line departments of Agriculture, Fisheries and Industry
- to improve the image of Prince Edward Island primary, processed and manufactured products in all major markets
- to provide assistance in package design, labelling, and sales promotion, to primary producers, processors and manufacturers

Background

The Prince Edward Island Development Plan pinpointed the existence of a "marketing gap" as one of the principal reasons that the Island economy had not achieved its full potential. To overcome this deficiency, it was recommended that a marketing research and counselling agency be created to assist agricultural, fisheries and industrial producers in the Province.

In 1969 the Natural Products Marketing Research Centre was established to meet the above requirements. On April 14, 1972, the name was changed to Market Development Centre and legislation establishing the Centre as a Prince Edward Island Crown Corporation was passed.

During the year, the Market Development Centre became the Marketing Division of the Prince Edward Island Development Agency. On June 23, 1984, a Provincial Act established the Agency, combining marketing, development and planning within one Provincial Crown Corporation.

The primary objectives of the new Agency are to identify and develop economic opportunities, strategies and programs to stimulate economic development and long-term employment in the Province.

The Agency is administered by a Board of Directors consisting of the Minister of Industry as Chairperson and two other Ministers designated by the Lieutenant Governor. Currently, the Board consists of ten directors, four from government and six from the private sector.

The marketing, planning and development needs of primary producers, processors and manufacturers are the concern of the three divisions. Each has a role to play in the economic development and well-being of Island industries.

Projects undertaken during 1984 by the Market Development Centre and the P.E.I. Development Agency, Marketing Division, continue to be cost shared between the Department of Regional Industrial Expansion (D.R.I.E.) and the Prince Edward Island Government.

1984 Program Activities

A total of 412 projects were initiated on behalf of marketing clients.

- Projects initiated by sector:

Agriculture	87
Fisheries	89
Industry	198
General	38
	412

- 55 projects in the area of sales assistance to provide market familiarization trips and organize incoming buyers
- 69 projects in the area of product development
- 51 projects in the area of market research
- 94 projects providing assistance in advertising and promotion of Island products
- 83 projects for Island firms to participate in trade shows
- 2 projects to provide assistance in product design
- 5 projects in the area of market organization and assistance to producers
- 31 projects in the area of market education and marketing management
- 16 projects providing meetings with government agencies and provinces
- 3 projects providing complete marketing programs
- 3 projects in the area of licensing and joint ventures

The Future

In keeping with the exciting challenge that was issued by the Province as a major statement of direction, that of blending "tradition with innovation" and the reference to a market-led approach to development, the Marketing Division will continue their enthusiastic efforts of 1984 which, apart from their continuing assistance projects, saw trade show activity almost double, name registrations established for the promotion of specific food products, and the organization of a Premier-led trade mission to the Pacific Rim, the results of which should benefit the Island economy in years to come. However, future direction will encompass, in general, the following:

- Increased emphasis on trade show participation in existing markets as well as evaluation of new trade shows to consider the benefits of future attendance.
- To develop products that are not seasonal in nature, have considerble added value, and increase the utilization of our fish plants, particularly during the winter months.
- Additional market research activities to identify new opportunities for Island products in the domestic and export markets and identify new products for local manufacture.
- To evaluate European packaging techniques and determine their suitability for use by P.E.I. processors.
- Encourage Island firms to secure and train specialized production personnel to recommend ways to improve efficiency and increase overall productivity.
- To bring to the attention of Islanders the benefits of buying locally produced items by promoting at the educational and retail levels.
- To promote that P.E.I. caught fish is from a "Dayboat" fishery, i.e. caught, processed, packaged and frozen within 24 hours. This will be used as the theme indicating P.E.I.'s superior quality fish.
- Continued cooperation with other provinces in joint marketing projects where possible.
- To institute a revised program to take the risk out of developing and introducing a new product to the marketplace.
- Coordinate with Island processors, wholesalers, distributors and retailers, plans to promote P.E.I. products.
- Provide an expanded market information system to assist Island firms, government departments and agencies in their marketing efforts.

AGRICULTURE

AGRICULTURE

CROP DEVELOPMENT

Cole Crops

After a very successful year with brussels sprouts in 1983, growers again contracted for 650,000 lbs. of brussels sprouts to Cobi Foods in Nova Scotia as well as growing approximately an extra 30 acres to be sold on the fresh market. The crop was delayed by a long period of dry weather followed by a period of heavy rains. It appeared healthy but with less growth than usual.

However, by mid October when harvest began, most fields developed serious levels of alternaria fungus and many fields had to be abandoned. Only 40% of the contract was met. Cauliflower was also unsuccessful. This crop failed to mature due to the extremely dry conditions. A similar situation occurred in production in Nova Scotia and Eastern New Brunswick; 10% of the contract was met.

The Marketing Division again assisted in the administrative and accounting necessary to conduct the 1984 program.

COMMODITY PROMOTIONS

1984-85 Potato Promotion

Since 1976, the P.E.I. Potato Marketing Board and the P.E.I. Development Agency, Marketing Division (formerly the Market Development Centre), have worked in cooperation to promote P.E.I. tablestock potatoes by way of major advertising and promotional campaigns in Canadian and U.S. markets. The campaigns, directed at consumers and trade representatives, have been instrumental in the development of a strong consumer franchise with respect to P.E.I. brand potatoes.

The 1984-85 campaign was staged in three centres: Toronto, Montreal and Boston. It was the eighth consecutive year of major advertising and promotional expenditures in Toronto and Montreal, whereas the Boston campaign moved into its sixth year running. The campaign in each city featured trade dinners and a media program intended to support the sale of P.E.I. potatoes at the retail level.

As in the past, the trade dinners provided opportunity for the potato industry of P.E.I. to meet and thank trade representatives who have supported the P.E.I. brand in each market over the past years. The dinners gave those in attendance a preview of the '84-'85 media campaign for their respective market, together with an informative audio-visual presentation on the history of the potato, particularly as pertaining to Prince Edward Island.

In keeping with tradition, trade representatives at each dinner were presented small gifts as a reminder of the evening's activities and in appreciation for their support. This year's gift was a digital, desk top clock, powered by none other than P.E.I. potatoes, and triggered the theme for the evening's event of "P.E.I. Potato Power".

The media campaign in Toronto and Montreal followed much the same pattern as that of 1983-84. Thirty second radio commercials were aired in each city. New commercials were developed for the French Montreal market, while commercials developed for the '82-'83 campaign, and hence revised, were repeated in the Toronto and English Montreal markets. The commercials aired for 13 weeks, beginning mid November in Toronto, and mid December in Montreal.

In Boston, the '83-'84 media results were somewhat disappointing, and this instigated a change to newspaper for the 1984-85 campaign. An advertisement linking the Rare Taste of P.E.I. potatoes to the Island's Rare Earth was inserted in five editions of Boston's most widely read paper, the Boston Globe. The intent was to reach a larger percentage of the target market and thereby increase the awareness levels for P.E.I. potatoes.

Prior and subsequent to each year's campaign, independent consumer research is commissioned by the Marketing Division to determine the positioning of P.E.I. potatoes in each market where advertising has been and will be undertaken. This provides the means for evaluation of the campaign and assists in the development of communication plans for subsequent years.

The 1984-85 Promotional Campaign was the most intensive undertaken by the Potato industry of P.E.I. since its origin in 1976. Notwithstanding the impact of supply and demand factors or marketability, the importance of the campaign to the well-being of the P.E.I. potato industry is becoming increasingly recognized by many within the industry. It is the Marketing Division's hope that future campaigns, with the full support of the industry, will aggressively pursue and develop new markets for P.E.I. tablestock potatoes.

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Blueberry Marketing

The Marketing Division, in cooperation with the P.E.I. Department of Agriculture, assisted the P.E.I. Blueberry Marketing Co-Operative in implementing a blueberry marketing program for their 1984 crop. Blueberries were pooled and offered to processors. An agreement was worked out to sell blueberries to a processor in Maine. Blueberries were delivered to a central receiving station where they were assembled, cleaned and shipped to the processor. A total of 372,000 pounds of blueberries were handled during the past season.

Strawberry Processing

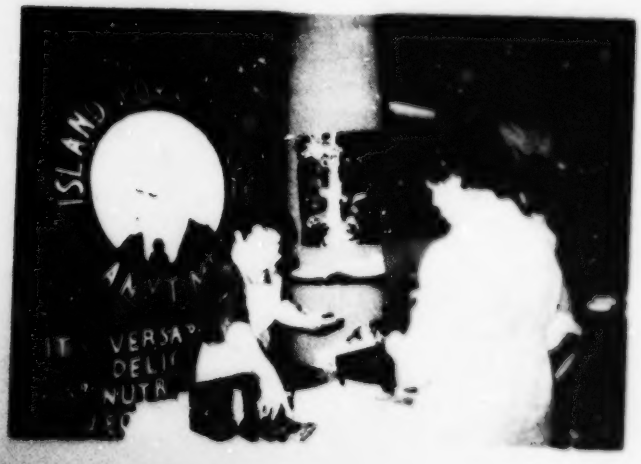
Assistance was provided to the Strawberry Growers' Association, the Vegetable Growers' Co-Op and the P.E.I. Department of Agriculture in the processing and marketing of 200,000 pounds of strawberries during the 1984 season. Removal of surplus berries from the market gave stability to the local industry and prevented an oversupply of berries on the fresh market. The processed berries are being marketed by the Vegetable Growers' Co-Operative.

Pork Promotion

During 1984, the Marketing Division cosponsored a Provincial and a Maritime Pork Promotion to promote increased consumption of the product.

The Provincial Pork Promotion, in cooperation with the P.E.I. Hog Commodity Marketing Board and the Department of Agriculture, undertook to promote pork by assisting the "Sizzler" to advertise its pork barbecues, publishing a brochure and poster on barbecuing pork, and participating in various consumer promotions such as mini food fairs.

As part of its Maritime Promotion, in cooperation with the Provinces of Nova Scotia and New Brusnwick, P.E.I.'s hog industry took part in various shows, namely, ApEx, Food Fest, Maritime Winter Fair and the Atlantic Winter Fair.



Farmers' Markets

Assistance was again provided to P.E.I.'s Farmers' Markets in cooperation with the P.E.I. Department of Agriculture. In addition to being provided with promotional materials, the markets were also provided with advertising assistance. During summer months, six markets operated across the Island, reducing to only the Charlottetown and Summerside markets during the winter months. Special advertising assistance was provided this year to the Charlottetown Farmers' Market to promote their move to their new permanent home on Belvedere Avenue.

Egg Promotion

In cooperation with the P.E.I. Department of Agriculture and the P.E.I. Egg Commodity Marketing Board, the Marketing Division cosponsored a 1984 Egg Promotion, the purpose of which was to promote eggs as an economical, tasty and convenient snack, lunch or supper alternative and to increase consumer usage of the commodity. This year's promotion consisted of radio ads, direct mail distribution of a cookbook, the purchase of a teacher's kit to introduce eggs as an enjoyable food to students 5-9 years and various consumer programs including mini food fairs. This year's egg promotion contained one new component which proved very successful, i.e. presentations to groups of senior citizens entitled "Eggs for One; Eggs for Two". The aim of these presentations was to promote the goodness and versatility of eggs to seniors. Most of the people attending the sessions enjoyed them very much and considered them worthwhile. The group presentation program will likely be included in the 1985 Egg Promotion.

Strawberry Promotion

The 1984 Strawberry Promotion was cosponsored with the P.E.I. Department of Agriculture and the P.E.I. Strawberry Growers' Association to increase consumer awareness of the strawberry industry and of the availability of strawberries and to provide ways of using fresh and frozen strawberries. This year's promotion included letters to chain retailers, newspaper and radio ads and distribution of a strawberry publication. Plans for a 1985 promotion will be drawn up based on findings of a consumer check to determine current usage and attitudes on strawberies.

AGRICULTURE

TRADE SHOWS

Maritime Food Night
The newly opened World Trade and Convention Centre in Halifax, Nova Scotia was the venue for the second annual Maritime Food Night. The event, which was jointly sponsored by the Provinces of New Brunswick, Prince Edward Island and Nova Scotia, featured food and beverages produced by nearly sixty processors situated throughout the Maritime provinces.

Special guests for the event included representatives of the major food buying companies and institutions throughout the region, including wholesalers, retailers, caterers, government and public institutions. Tabletop displays of company product and literature allowed buyers and processors an opportunity to meet and discuss possible buy/sell opportunities. The event also featured a huge buffet of foodstuffs produced by the participating processors and provided buyers a chance to sample products in which they were most interested.

Nine processors from Prince Edward Island participated in the event, which is expected to increase buyer awareness of foodstuff produced in the Maritime region and thereby open new markets for local processors.

Hosts for the evening's activities were the Hon. Roland Thornhill, Minister, Dept. of Development, N.S., the Hon. Paul Dawson, Minister, Dept. of Commerce and Development, N.B., and the Hon. James Lee, Premier, and Minister responsible for the P.E.I. Development Agency. The hosts gave brief addresses, wherein they thanked close to 400 people in attendance for their participation, expressed the hope the event would in some small way assist in creating new markets and employment opportunities in the food processing sector. Mr. Lee also extended an invitation for all to attend the third such event tentatively planned for Charlottetown in September, 1985.

Food Fair Canada '84
Two Island companies were assisted to set up booths at Food Fair Canada '84 in the World Trade and Convention Centre in Halifax from September 28-30, 1984. The purpose of the Food Fair is to inform consumers of the region what is produced locally and to encourage them to buy local products through sampling and promotional material.

Though attendance was down from previous years, Food Fair Canada '84 was still a popular event with both consumers and participants.

County Fair Mall Mini Food Fair
In mid April, 1984, the Marketing Division and the County Fair Mall in Summerside sponsored a Mini Food Fair featuring demonstration and sampling of Island food products from 10 P.E.I. food processing companies and six commodity boards/associations. Traffic was very heavy and consumer response excellent and all participants who submitted their evaluations were very pleased and satisfied with the event. Between 600-1,000 samples per booth were served during the three days. Some participants reported increased sales and requests for their products, and all felt that it was an excellent promotion that should be repeated more often.

Mini Food Fair - Confederation Court Mall
In November 1984, the Marketing Division in cooperation with the Confederation Court Mall, sponsored a mini food fair featuring Island products from seven food processors and four commodity groups. Consumers sampled products, received recipes and learned about the variety and quality of locally produced food products. The fair was well attended by the general public.

AGRICULTURE

ADVERTISING AND PROMOTION

Select Yearling Sale

Assistance was provided to P.E.I. Colt Stakes to advertise and promote their annual select yearling sale. The sale was very successful, with off Island buyers purchasing 15 yearlings. The average price was down from last year's record, but still the highest average in the Maritimes in 1984.

Select Hereford Breeding Stock Sale

The P.E.I. Hereford Breeders' Association was assisted in launching their first Select Breeding Stock Sale. It was a successful sale giving good exposure to local breeding stock. Average selling price exceeded $15,000, with many buyers from off Island, mostly from Nova Scotia and New Brunswick. Thirty head were sold during the sale.

Cranberry Sauce

A local food processor was assisted with advertising and promoting their new product to Island consumers. Radio and newspaper advertising was undertaken as well as in store product demonstrations at several retail outlets.

Farm Fresh Products Directory

The Marketing Division updated the 1983 edition of the Farm Fresh Products Directory which lists farmers' markets and market gardeners on P.E.I. who offer farm fresh products for sale on farms or at roadside stands. The 1984 edition featured a different type of locater map which should enable potential clients to locate the markets/stands more easily. Ten thousand copies were distributed through the Tourism Information Centre, Department of Agriculture — District Offices, the P.E.I. Development Agency, etc. This publication remains popular among tourists and Islanders as evidenced by the receipt of requests for additional copies.

Maritime Co-Operative Services for Island Product Promotion

The Marketing Division cooperated with the P.E.I. Co-Op Atlantic stores in the fourth annual Island Products Promotion from May 30-June 2, 1984. P.E.I. food products were featured in Co-Op grocery ads and Island product displays were erected in the ten participating stores. Consumer prizes were awarded in each store, as well as two manager prizes for best display in each of two divisions. The purpose of the Co-Op promotion is to increase awareness and sales of P.E.I. food products.

AGRICULTURE

PACKAGING AND LABELLING

Design and packaging assistance was provided to several Island companies in the following areas:

- specialty preserves
- canned meat products
- cranberry sauce
- frozen potato products
- maple syrup
- bakery products
- poly bags for fresh vegetables

MARKET RESEARCH

Canned Chicken
On behalf of a local company, a survey of the Island marketplace was undertaken to identify the present situation and potential for canned chicken. Local wholesalers and selected retailers were included in the survey. General information on canning equipment required was also provided.

Cranberry Sauce
A survey of local wholesalers and retailers was undertaken to identify the market for canned cranberry sauce on Prince Edward Island. Information on volume, movements, prices, suppliers, etc. was obtained. General information on product movement in the Maritime market was also obtained.

Celery Market
This study was undertaken to identify the market potential for fresh celery in the Atlantic provinces. The study identified the movement of fresh celery through wholesale operations during the time period local celery could be available. Nearly all market requirements are presently coming to the region from Quebec, Ontario and the United States. No commercial production in the region has been identified.

Maple Syrup Market Potential
Information on the market for various maple products was obtained through surveying local wholesalers and retailers. The local retail market is mainly supplied with products coming from New Brunswick and Quebec. There is also competition from artificial maple products which are generally priced much lower than real maple products. Information on the Nova Scotia and New Brunswick maple industry was also included.

Summer Savoury
The Prince Edward Island market for summer savoury was investigated to determine the potential for expansion. Retail stores were surveyed to obtain market information. The Island market is presently well supplied with summer savoury from local producers.

SALES ASSISTANCE

The Marketing Division assisted the P.E.I. Lamb Co-Op with the hiring of a part-time coordinator whose job it has been to oversee the sales, marketing and promotion of lamb both on and off the Island, as well as various other administrative tasks.

Lamb Booth
The Agency assisted the P.E.I. Lamb Co-Op with the development and construction of a booth suitable for demonstrating the preparation of lamb dishes. The purposes of this booth was to increase the awareness, acceptance and consumpton of lamb products through demonstrations at major P.E.I. retail outlets, etc.

The P.E.I. Lamb Co-Op was also assisted with the development and testing of a new lamb product and with promotion of local lamb through a booth at Kennedy Coliseum during "Old Home Week".

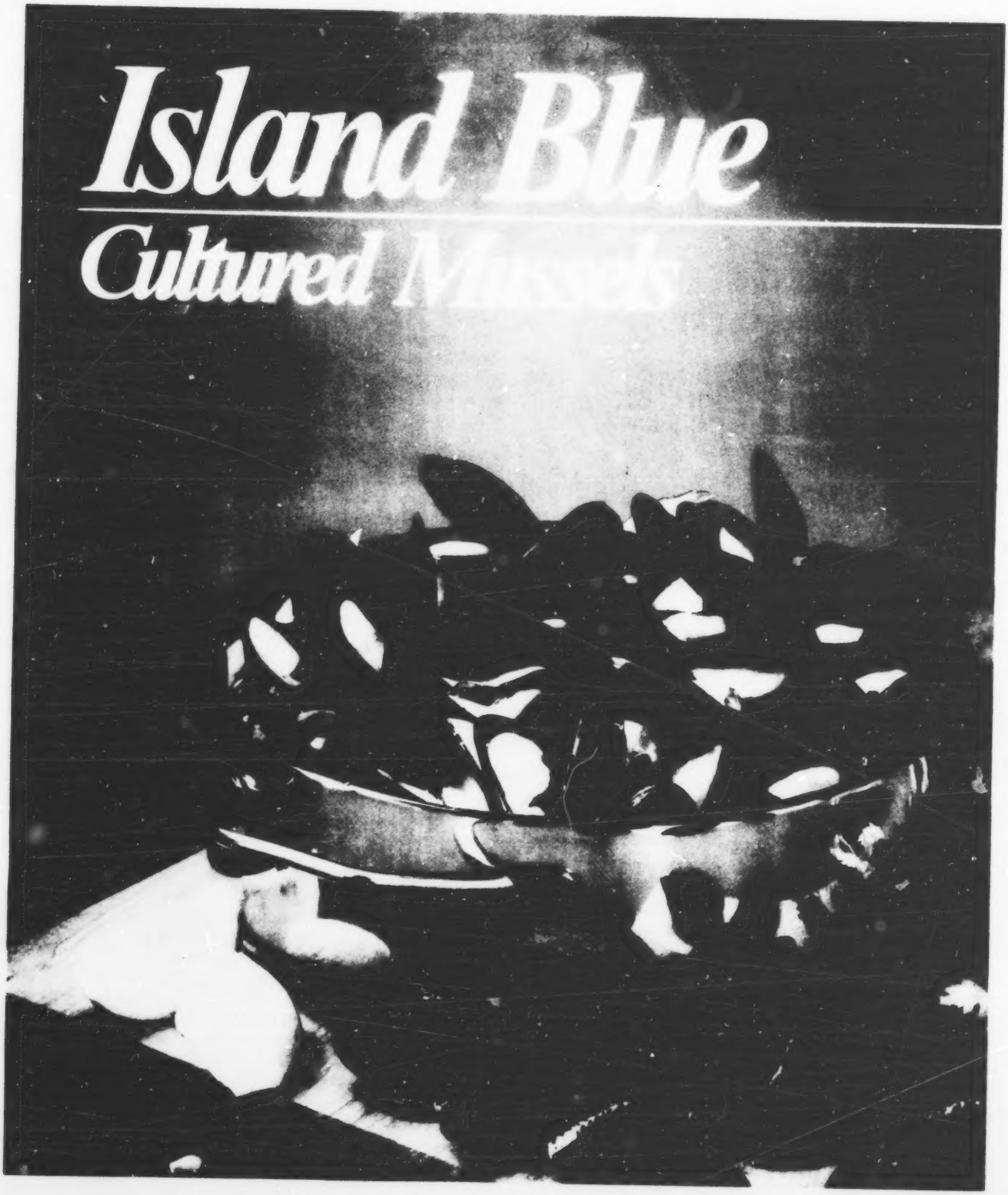
Beekeepers' Display
Assisted the P.E.I. Beekeepers' Co-Operative Association with the purchase of a display booth to be used in the promotion of P.E.I. honey and the P.E.I. honey industry through such promotions as the Summerside Lobster Carnival and the Dundas Plowing Match, participation for which the Association also received assistance.

Newfoundland Fresh Milk Market
Assisted a local client to visit Newfoundland to determine the possibility of P.E.I. reentering the fresh milk market there. The client felt the trip was successful and provided valuable information on the structure and size of the Newfoundland market.

PRODUCT DEVELOPMENT

Frozen Product Testing
In cooperation with the P.E.I. Department of Agriculture, assistance was provided the P.E.I. Vegetable Growers' Co-Operative to carry out trials on processing I.Q.F. strawberries and raspberries. The results of these trials determined varieties most suitable for I.Q.F. processing.

FISHERIES



FISHERIES

Trade Shows/Missions

During 1984, special emphasis was placed on promoting Prince Edward Island fisheries products directly to the trade. This was achieved through attendance at many of the traditional and nontraditional seafood trade shows. These shows encompassed both domestic and export markets. Due to the strong U.S. dollar, coupled with weak European currencies compared to the Canadian dollar, priority was given to the U.S. market by both the Marketing Division and Island seafood processors, resulting in increased attendance at trade shows in the United States. These shows included Los Angeles, Chicago, Boston, New York, Buffalo, Cleveland and Dallas. The shows, specifically organized to attract representatives directly from the trade through selective registration procedures, have proved to be the most efficient way in getting value for our money.

Overseas trade shows in Japan and France were also attended by representatives of the Island seafood processing companies to maintain a presence of goodwill and consolidation of new and existing business contacts in these very important markets.

Locally, seafoods were featured at mini food fairs held in Summerside and Charlottetown and also in New Brunswick and Nova Scotia.

Prince Edward Island's first Premier-led trade mission to Hong Kong and Japan took place in late November and early December. The mission headed by the Honourable James Lee, Premier, consisted of government officials and representatives from the business sector.

Objectives included:

- identify and pursue opportunities with respect to trade and joint ventures, particularly as they relate to processing and manufacturing
- to redirect investment capital leaving Hong Kong to P.E.I.
- to promote provincial government support programs available to industry relocation opportunities
- to ascertain market potential for P.E.I. agricultural and fisheries products, together with service industries such as tourism
- to establish a basis for coordinating and implementing future provincial government marketing efforts in support of private sector initiatives.

The mission was very successful in establishing many new contacts, both in the business field and in government. Preliminary indications from several businessmen indicate pending sales. The highlight of the Japanese portion of the mission was the official opening, by Premier James M. Lee, of "Lucy Maud Montgomery Fayre" held at a large Japanese department store. Grace Findley attended as Anne. The opening also encompassed a display of artifacts, handcrafts and food products from Prince Edward Island.

Oysters

1984 saw a healthy demand for the Island's famous Malpeque Oysters. The Marketing Division worked closely with local producers/shippers, particularly in the development of new markets in the U.S.

"Malpeques" were featured at leading trade shows in Los Angeles and Chicago for the first time, and found favour with the American Democrats at their Presidential Nomination Convention held in San Francisco. Shipments to nontraditional markets such as Western Canada were on the rise, whereas more traditional markets such as Montreal and Quebec City held strength.

The Marketing Division developed a new 3 peck, two hundred count box to complement previously marketed 1.5 and 4.5 peck boxes. Demand for the new box proved most encouraging and assisted shippers in reducing previous problems associated with shipping and handling.

An early "scare" of sorts regarding availability of Malpeques for the fall marketing season resulted in a decision to defer any new marketing initiatives until a more favourable climate. Despite this, promotional materials were widely distributed to the trade in order to maintain exposure and support, and the '84 harvest was marketed without major problems.

FISHERIES

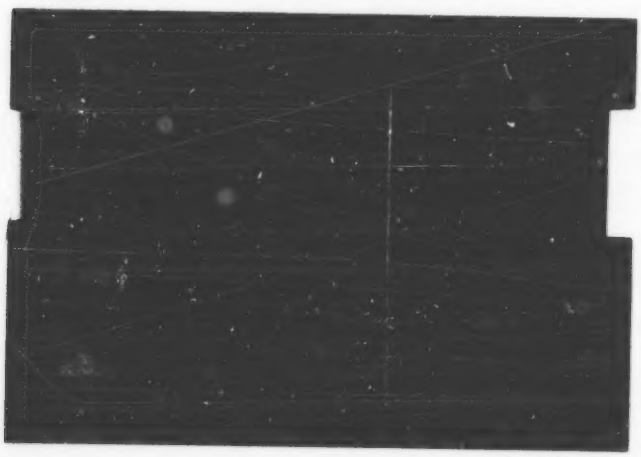
Scallops
Scallop landings declined drastically from 421,000 lbs. in 1983 to 217,000 lbs. in 1984 — a decrease of 49%. This severe decrease in landing may prompt the Department of Fisheries and Oceans to consider limiting the fishing of scallops in P.E.I. waters until stock can recover.

Mussels
1984 saw mussel industry shipments increase by 36% to a volume of 489,000 lbs. with an average price of 65 cents per lb. A suitable shipping container was designed incorporating our newly registered "Island Blue" brand name. The standardization of a brand name enables the Marketing Division to significantly increase our promotional efforts whilst maximizing cost benefits.

Some areas of concern have been air shipments which at times have frustrated several shippers. It is hoped, however, to resolve this concern in the near future.

Several canned mussel products from overseas were examined to determine potential for production on P.E.I., however, it was found that these foreign products could be sold at a fraction of the cost of our costs of production. Further work is plannnd in the area of frozen mussel products in 1984.

"Island Blue" mussels were again actively promoted and served at trade shows and food fairs across the U.S. and Canada.



Lobster
Lobster landings in 1984 decreased by approximately 12% to 13.6 million lbs. from the record high in 1983 of 15.4 million lbs. prices decreased by approximately 20% to a value of $23 million in 1984.

Our Atlantic provinces' competition, because of lower costs of production in labour and utilities, were able to be more price competitive which meant a lower return on lobster products, particularly with respect to the lobster-in-brine market which in 1984, also saw more processors entering this field.

Treatment of lobster waste to determine its usefulness as a flavour ingredient in kamaboko, bisques and other seafood dishes was examined. Evaluation of the finished product was found to be very satisfactory and further work is to be directed towards determining the costs of production.

Groundfish
1984 saw a decrease in total groundfish landings of 7.5% to 41.6 million lbs. from 45.0 million lbs. The major proportion of landings in this group is made up of the following species:

1984 Landings	(million lbs.)	Value $ 000's
Cod	11.2 (-25%)	1,400
Hake	6.6 (-14%)	401
Sole/Flounder	5.4 (0%)	770
Redfish	16.7 (+6%)	1,800

Simulated Fish Products
A study was undertaken to analyze the potential impact simulated fish products could have on the Island economy. The study indicated that simulated fish products wil not have a major impact on the P.E.I. fishing industry. A simulated fish product operation on P.E.I. could yield economic benefits to the Island.

FISHERIES

Pelagic
The major species in this group are herring, mackerel and tuna. Herring showed a decrease in landings of 28% to 10.1 million lbs. from 14.1 million lbs. in 1983, whilst mackerel landings dropped 18% to 3.7 million lbs. from 4.5 million lbs. However, the most drastic reduction was in tuna landings which saw a decrease of 50% in the number of fish landed — from 789 fish in 1983 to 392 fish in 1984. The total value, however, increased from $1.1 million to $1.3 million.

Product Development and Technical Assistance
The introduction of new products is not only essential for Island companies to expand their markets but is required in some instances just to maintain market share in a business that is extremely competitive because of the similarity of neighbouring provinces' reliance on marine products. In this regard, the professional services of Shoji Yamamoto, a food technologist, was obtained to assist Island food processors in the areas of product development and other technical areas.

Several of our major areas of activity and research have been associated with the extraction of flavours from shellfish waste and also to keep abreast of technical developments in Surimi/Kamaboko processing with particular attention being given to equipment developments on behalf of a local equipment manufacturer. Other projects included the development of "tuna style" canned mackerel, smoked seafood spreads, marinated fish and the preliminary examination of specialty frozen mussel products as well as the examination of successful products produced elsewhere that could be manufactured by local processors.

Staff of the Marketing Division have, in conjunction with the P.E.I. Department of Fisheries and Labour, conducted joint projects utilizing staff and students from the Holland College fisheries program. By this method, we are able to give students a practical knowledge in developing new products.

Assistance was also given to several companies to evaluate equipment and processing techniques used in other countries.

Incoming Buyers
To further promote the sales of P.E.I. seafood products, buyers from various countries were invited to meet with Island processors to discuss areas of potential business. Our previous efforts in bringing Cuban officials to P.E.I. were rewarded by further contracts to supply saltfish. Other buyers were interested in private label packaging of Island products under their own label which also resulted in significant sales in new markets.

As well as buyers from Canadian cities, buyers came from the U.S., Germany, France, Holland, Sweden, Japan and Denmark including officials from Cuba.

This program is also used by Island processors to bring specific buyers to P.E.I. to finalize contracts as well as showing the benefits of purchasing our "dayboat" seafoods.

FISHERIES

PROMOTIONAL ACTIVITIES

Besides the ongoing visits to various markets and trade shows, coupled with the incoming buyer program, several specific marketing plans were developed for individual companies. These sometimes included a promotion of a specific product with an individual buyer, e.g. hot pack lobster with Eatons or shipment and promotion of Malpeque Oysters at the Democratic Convention in San Francisco.

Strategies were also developed to promote redfish in the U.S. on behalf of a local processor to meet increased competition from Iceland and Norway. The general theme being that P.E.I. fish were caught in "unpolluted crystal clear waters" off the coast of Prince Edward Island.

Market Information System
Information for this system is collected from a wide selection of publications and newsletters published worldwide. Efforts, however, are concentrated on our major market the United States. This information covers prices, inventories, government policies and market trends which are reported to our processors to assist them in determining their marketing strategies.

Test Marketing
Several traditional products were tested in new market areas as well as evaluating new products in established markets. This was accomplished through trade shows and the sample shipment of products to brokers and distributors throughout the world. Products tested included frozen crab meat, lobster products, oysters and during the past two years, mussels, which are being well received by the trade.

Packaging and Labelling
Vacuum packaging, a technique that allows the consumer to view the product, such as frozen seafood fillets, crab meat, or smoked products, without losing any quality characteristics, is now being widely used by P.E.I. companies. This technique enables our "dayboat" seafoods to be packaged with great eye appeal in a leak proof, airtight vacuum sealed package, resulting in locked-in freshness, elimination of freezer burn, maximization of product protection thus ensuring extension and protection of shelf life. This vacuum packaged "dayboat" fish, and by "dayboat" we mean P.E.I. fish that is caught, processed, packaged and frozen the same day, giving a far superior product when compared to so-called "fresh fish" that could be on a trawler, at the processing plant, in the distribution chain and finally the retail outlet for anywhere from 6 to 10 days. With vacuum packaging and the nature of the "dayboat" fishery, P.E.I. processors are able to produce a frozen product that is far superior to fresh fish imported into P.E.I. from neighbouring provinces.

Other labels were developed for Island processors for a variety of products including several private designs for customers in the United States. To ensure continuity of purchase, these private designs were labelled product of "Prince Edward Island".

Several processors, because of high costs of carrying packaging inventory, were persuaded to use a universal packing box and master carton that considerably reduced packaging inventories.

A new intermediate shipping container was developed for the oyster industry on P.E.I. This 3 peck (200 count) box complements our previously designed shipping containers especially produced for our world famous "Malpeques".

During 1984, the name "Anne of the Island" was registered under the Trade Markets Act. The name will be used on P.E.I. products as approved by the Marketing Division.

INDUSTRY

INDUSTRY

INDUSTRIAL MARKETING

During the past year, the Marketing Division of the P.E.I. Development Agency, formerly the Market Development Centre, continued to assist Island manufacturers in the promotion and marketing of their products. The current unsettled economic conditions have resulted in Island firms becoming more aware of the necessity of improving production efficiency and the use of additional marketing activities to maintain or improve their position in the marketplace. Assistance provided covers a number of areas aimed at existing and new markets, improving existing products, developing new products and long-term planning.

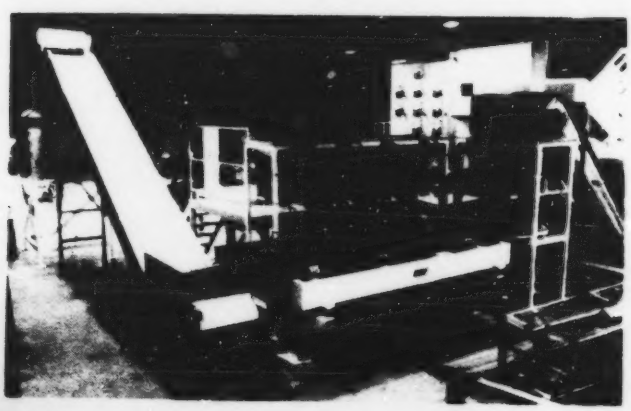
The Marketing Division provided assistance and guidance to Island manufacturers to improve their individual marketing activities required for a variety of products manufactured. This includes such products as chemicals, clinical reagents, electronics, computerized recorders, marine hardware, optical frames, metal fabricated products, fiberglass products, etc. The Agency staff must be familiar with each firm's products and marketing needs, particularly the off Island market areas, other Canadian provinces, and the United States.

Assistance provided by the Marketing Division ranges from individual company marketing plans to individual activities which usually include one or several of the following:

Market Research, Information & Education
Enhance the marketing capabilities and marketing opportunities of manufacturers and processors. Provide analyses of markets and potential new markets.

Marketing Plans
Encourage and assist Island firms to develop and utilize long-term planning and marketing techniques, including the services of a marketing specialist when needed.

Product Development
Development and evaluation of new and improved products in an effort to expand production and markets.



Trade Shows & Displays
Promotion and sale of products through attendance at suitable trade shows in existing and new market areas.

Advertising & Promotion
Production of brochures, catalogues, packaging material, posters, flyers, radio, newspaper and T.V. advertising.

Sales Assistance
Assistance in the identification and exploration of sales opportunities through marketing trips, incoming buyers and new distribution systems.

During the past year, the following manufacturers were assisted in the development and implementation of marketing plans, the use of specialized marketing and the strengthening of in-house marketing expertise:

- Paderno Canada Ltd.
- Schurman Industries
- Crispin Cones Ltd.
- Charlottetown Metal Products Ltd.
- Island Fiberglass Products Ltd.
- Cabinet Master - Prebilt Structures Ltd.

INDUSTRY

MARKET RESEARCH

The Marketing Division's Research Program identifies new or increased opportunities to established firms and potential new firms. The research can vary from feasibility studies including market potential to specifics on market location, market size, consumer needs, competition and other necessary information to pinpoint opportunities.

The Marketing Division's research activities are usually in the following areas:

- Feasibility of starting a new business by individuals or firms.
- Firms requiring information to assist in expanding their present market, penetrating new markets for new products.
- Agencies, government departments and firms requiring independent verification of a potential new opportunity, product and/or market.

In 1984, the following are examples of research undertaken:

- Vacuum Pick-Up System
- T.V. Programming Research
- Christmas Trees Export
- Printing Information
- Pressure Sensitive Labels
- Processed Fruit & Vegetable Market Study
- Paper & Cardboard Pellets
- STEP Technology Evaluation
- Kiln Dried Hardwood
- Maritime Truss Plate Market
- Fence Component Study
- Fiberglass Fishing Boat Market
- Poly Bag Market Information

ADVERTISING & PROMOTION

Brochures, catalogues and labels are essential in the promotion of products, especially for new products entering the market. Changes in the marketplace and product regulations require continual assessment and upgrading where necessary.

In 1984, the following promotional material was developed by Island firms:

- Binders & Brochures - Island Metal Fabricators
- Woodworking Brochure - Turning Point Woodworkers
- Hang Tags - Wind Chimes
- Mold Caster Brochure - Precision Products & Services
- Wood Boiler Brochure - Corrigan's Welding & Wood Stove Centre
- Product Catalogue - Diagnostic Chemicals
- Product Labels & Logo - Eastport Chemicals
- Product Specifications - Custom Commercial Woodworkers
- Blanket Brochure - MacAusland's Woollen Mills
- Video Brochure - Video Atlantic
- Cookware Brochure - Paderno Canada
- Window Brochure - Schurman Industries
- Technical Brochure - Schurman Industries
- Paint Poster - Northumberland Chemicals
- Cabinet Brochure - Cabinet Master
- Display Stand - Northumberland Chemicals
- Show Display System - Diagnostic Chemicals
- Display System - Cabinet Master

Island firms were assisted by the Marketing Division in the preparation of radio, newspaper and television ads for the following products:

- Truck Bodies
- Fish Processing Equipment
- Trap Bows
- Mini Barns
- Windows
- Cookware
- Building Trusses
- Wood Stoves
- Fiberglass Tanks
- Kitchen Cabinets
- Industrial Paint
- Handcrafts
- Woolen Knitwear

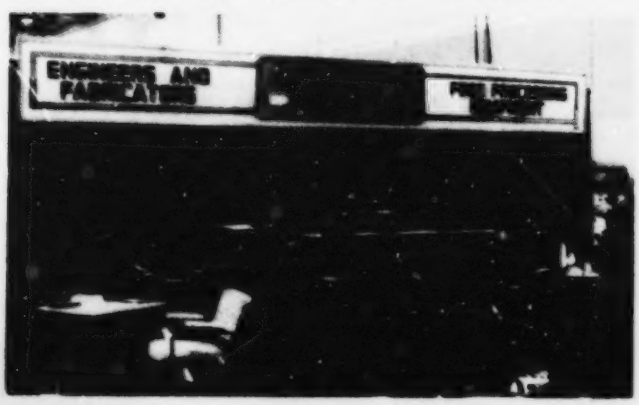
INDUSTRY

TRADE SHOWS

Prince Edward Island manufacturers attended in excess of 26 shows in Canada and the United States. Trade shows provide an excellent vehicle for the display and promotion of Island products, to increase sales, see new products, secure local representation in the area and become familiar with the latest market trends.

Sales reported by Island firms exceeded $1,600,000 as a result of attending the following trade shows:

- North American Blueberry Conference — Maine
- Fish Canada '84 — Moncton
- Canadian Offshore Resources Exposition — Halifax
- Presque Isle Farm Machinery Show — Presque Isle
- Toronto Spring Gift Show — Toronto
- HostEx '84 — Toronto
- Fish Expo '84 — Boston
- International Farm Machinery Show — Montreal
- Clinical Trade Show — Halifax & Vancouver
- Maritech '84 — Saint John, N.B.
- Medical Laboratory Convention — St. John's, Newfoundland
- Electro '84 — Boston
- Canadian Association of Food Equipment Manufacturing — Toronto
- EKSPO Canadian Gift Show — Toronto
- Pak Expo '84 — Chicago
- N.S. Blueberry Grade Show — Truro
- Toronto International Gift Show — Toronto
- Canadian Mapping Conference & Trade Show — Fredericton
- Montreal Fall Gift Show — Montreal
- Toronto Fall Gift Show — Toronto
- Atlantic Province's Trucking Assn. — Moncton
- Atlantic Building Supply Dealer's Assn. — Moncton
- National Agriculture Conference & Show — St. Andrews
- Canadian Home Sewing Show — Toronto
- Ideal Home Show — Saint John, N.B.
- ApEx '84 — Moncton



PRODUCT DEVELOPMENT

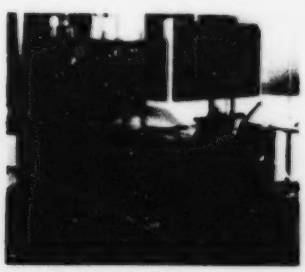
In 1984, the Marketing Division provided financial assistance to Island firms for the development of new products, improving existing products, technical assistance to improve efficiency and overcoming production problems.

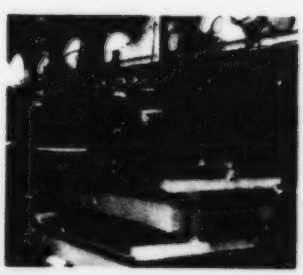
More specific areas of assistance were:

- Market Research, Identification of Markets
- Design and Prototype of New Products
- Expansion of Existing Product Lines
- Improvement of Existing Products
- Improving Operating Efficiencies
- Design of New Packaging and Labels

During 1984, the following were examples of projects undertaken by Island manufacturers:

- Fox Meat Grinder - M & S Metal Works
- Lobster Holding/Rearing System - Marine Lobster Farms
- Technical Analysis & Upgrading - Imapro
- Product Field Test - Eastport Chemicals
- Blueberry Harvester Demonstrations - M & S Metal Works
- Ratchet Type Trawl Winch - Hall & Stavert
- Prosthesis Development - Creative Esthetics
- Hydraulic Cylinders - Hall & Stavert
- Appliance Fabrication - Creative Esthetics
- Knitting patterns - William Condon & Sons
- Technical Market Visit - P.E.I. Bag Co.
- Technical Visit Montreal - Hi Tech Manufacturing
- Paint Testing - Northumberland Chemicals





INDUSTRY

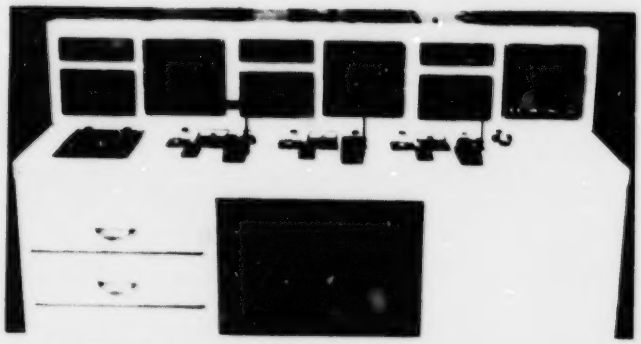
Technical Upgrading · Seminars & Courses
Metal Fabricating in the 80's — Saint John, N.B. (6 Island firms)
American Association of Orthodontists — Halifax, N.S.
Quality Control Seminar — Toronto, Ont.
Canadian Hazardous Chemicals Safety Seminar — Halifax, N.S.

New Markets

Marketing trips by Island manufacturers providing the opportunity to see firsthand new market areas, current market conditions and assist in the development of new sales.

In 1984, visits by company representatives in Canada and the United States have resulted in sales of Island products in excess of $1,000,000 in the following product areas:

- Fish Processing Equipment
- Indian Craft
- Industrial Photos
- Harvester Belts
- Electrical Control Panels
- Fiberglass Products
- Windows
- Giftware
- Institutional Cookware
- Computer Software
- Fashion Eyewear
- Vegetable Processing Equipment
- Snowplough Shoes
- Fishing Gear
- Paint Products
- Woolen Products
- Wood Cabinets



Audio Visual Production
Island firms continue to use the services of the Marketing Division in developing their promotional audio visuals for:

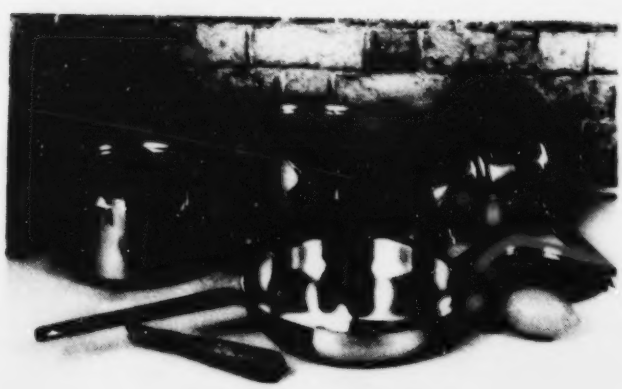
- advertising and promotion via T.V.
- to promote manufacturing and processing facilities
- trade show presentations

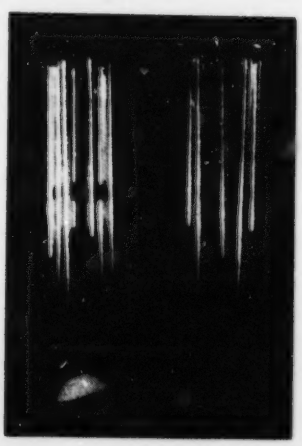
Co-operative advertising program was provided to assist in selling local manufactured products on P.E.I.

Handcrafts
The handcraft industry on Prince Edward Island continues to prosper with in excess of 110 full-time craftsmen and over 820 part-time craftsmen. The majority of part-time craftsmen belong to craft guilds and co-operatives.

During the past year, the Marketing Division provided full-time craftsmen with assistance to develop promotional packaging, sourcing of materials, tariff information, attendance at trade shows such as The Toronto Spring and Fall Gift Shows (held at the CNE grounds), The Toronto Spring Gift Show International, the Montreal Fall and Spring Gift Shows and the Calgary Spring and Fall Gift Shows, along with market visitations.

Twenty-four Island firms participated in the shows with sales in excess of $150,000.





GENERAL

GENERAL

Taste a Little Island

In a continuing effort to create an awareness among P.E.I. consumers as to the brands and varieties of food products produced locally and to encourage consumers to support Island food processors by purchasing their products whenever possible, the Marketing Division again sponsored a merchandising program entitled "Taste a Little Island".

The focus points of the 1984 "Taste a Little Island" promotion were display units utilized in over 30 retail outlets across P.E.I. which displayed dummy packaging from 25 Island food products (representing 14 P.E.I. food processors). These units also carried pads of tear-off recipe cards for utilizing the 25 featured products.

Support was given to the display unit in the form of in store point-of-purchase material including round "Taste a Little Island" mobiles, posters and push/pull door decals. As well, some retailers were supplied with a "Taste a Little Island" logo sheet which could be utilized in their weekly grocery ads, and an advertisement campaign in local newspapers was undertaken.

Reverse Trade Show

On June 13th of this year, the Marketing Division conducted the Province's first Reverse Trade Show. The event was staged at the Rodd Royalty Inn, West Royalty and attracted close to two hundred participants and visitors. The single day affair afforded manufacturers and processors across the Island the opportunity to view displays of products currently purchased by Provincial Line Departments and provincially funded institutions.

Representatives of fifteen provincial government departments, agencies and institutions manned booths displaying products and/or services purchased by their respective employer. Many of the products on display were "import" in nature, that is, manufactured or processed off Island. The display and identification of all products was intended to assist the manufacturers and processors visiting the show in identifying new market opportunities within the public sector.

For a first time effort, the show was very well received by the manufacturing and processing community. The official host for the show, the Hon. Pat Binns, indicated his personal satisfaction with the effort and aspirations that the show will grow to bigger and better proportions in 1985. With improvements, it is hoped the show can become a major impetus to employment opportunities in the manufacturing sector.

Showcase

During the past year, Showcase, the bimonthly newsletter has been redesigned to reflect the change of name from the Market Development Centre to the P.E.I. Development Agency with a new logo and expanded areas of industrial promotion. Showcase provides information on a number of activities undertaken by Island firms and Agency staff in the development and promotion of Island products. Included items such as trade shows recently attended, visiting trade missions, new promotional material, seminars, Agency programs, and other items of interest to the business community.

APPENDIX A

FIRMS ASSISTED BY MARKET DEVELOPMENT CENTRE/PRINCE EDWARD ISLAND DEVELOPMENT AGENCY - MARKETING DIVISION

Abegweit Produce Ltd.
Allan Potato Handling Equipment Ltd.
Amalgamated Dairies Limited
Atlantic Fish Specialties Ltd.
Balderston, Allan
Barrett & MacKay Photographers
Belle River Enterprises Ltd.
Bliksluger, Gus
Boudreau, Denise
British Woolen Knitters (Canada) Ltd.
C.E.G.F. Canada Limited
Campbell & Burns Limited
Cardigan Craft Guild
Cass Craft of P.E.I.
Cavendish Farms
Central Industries Ltd.
Charlottetown Driving Park
Charlottetown Farmers' Market
Charlottetown Metal Products Ltd.
Condon, William & Sons Ltd.
Corrigan's Welding & Wood Stove Centre
Creative Esthetics Ortho Lab.
Crispin Cones Ltd.
Custom Commercial Woodworkers
DeBlois Likely Ltd.
Diagnostic Chemicals Limited
Dover Woodworking
Drake Truck Bodies
East Port Chemical Corp.
Fox Tech
Galvin Productions Ltd.
Gaudet, Victor
Georgetown Shipyard Inc.
Gorman Controls Ltd.
Hall & Stavert Limited
Hannelore Reg'd.
Hi-Tech Mfg. Inc.
House of Jib Inc.
Idolwood Forest Products Ltd.
Imapro Inc.
Island Baking & Milling
Island Control Limited
Island Fiberglass Industries Ltd.
Island Foam Insulation
Island Metal Fabricators Ltd.
Island Offset Inc.
Island Resources Ltd.
Island Saltfish Inc.
Island Sandblasting
Island Winds
Jack's Quality Meats Incorporated
Johnston's (1977) Ltd.
Johnston's Home Style Products Limited
Keeping & MacKay Ltd.
King's Garden Knitters
Kitchen Cabinet Centre Ltd.
La Co-Op Forestiere Ltee.
Lawton Produce
Leoville Industries Ltd.
Loo, Everett
M & S Metal Works Ltd.
MacAulay, Laurence
MacAusland's Woollen Mills Ltd.
MacDonald, F.D.
Madson, Arnold
Marenco Engineering Ltd.
Marine Lobster Farms Ltd.
Marlin Marine Products
McAskill Woodworking Ltd.
Megabyte Inc.
Minegoo & Craft Soc. of P.E.I.
Moomba Farms
Murray Harbour Seafoods Ltd.
Mushrooms P.E.I.
North Ocean Enterprises Ltd.
North Shore Packing Company Ltd.
Northumberland Chemicals Incorporated
Northumberland Seafoods Limited
Orwell Studios
P.C. Industries
P.E.I. Colt Stakes Inc.
P.E.I. Packers Ltd.
P.E.I. Potato Services
P.E.I. Preserve Co.
P.E.I. Recycling Ltd.
Paderno Canada Ltd.
Peaceworks
Perfection Foods Limited
Points East Productions Inc.
Polar Seafoods Limited
Prebilt Structures Limited
Precision Products and Services Ltd.
Prince Edward Island Bag Co. Ltd.
Quality Control & Engineering
Quality Woodworkers
Queen's County Blacksmith Shop

APPENDIX A

Round One Inc.
Schurman, M.F. Company Limited
Seaman's Beverages Ltd.
Shumates, The
Souris Seafoods Ltd.
Superbelt P.E.I. Ltd.
TannerEye Ltd.
Tin Shop, The
Touch of Glass
Turning Point Woodworking
United Maritime Fishermen
Usen Fisheries Ltd.
Van Miuwenbuyzer, Peter
Video Atlantic Inc.
Village Craft House
Waddell's Poultry Plant
Wendell Graham (1981) Ltd.
West prince Moss Harvesters
Westech Agriculture Ltd.
Wevea
Willis, H.B., Inc.
Wood Corporation Inc., The

Assistance was provided to Commodity Boards, Marketing Boards, Associations and Government Departments by the Market Development Centre/Prince Edward Island Development Agency Marketing Division in 1984

Council of Maritime Premiers
Department of Agriculture
Department of Community Affairs
Department of Energy & Forestry
Department of Fisheries
Department of Industry
Farmers' Market Committee
Food Processors of P.E.I.
Holland College
Industrial Enterprises Incorporated
P.E.I. Beekeeper's Co-Operative Association Ltd.
P.E.I. Blueberry Growers' Association
P.E.I. Blueberry Marketing Co-Op
P.E.I. Chefs' Association
P.E.I. Cole Crop Growers' Association
P.E.I. Count Carton Association
P.E.I. Craft Industry
P.E.I. Cultured Mussel Growers' Association
P.E.I. Dairy Producer's Association
P.E.I. Fruit & Vegetable Growers' Co-Op
P.E.I. Hay Growers
P.E.I. Hereford Breeders Association
P.E.I. Hog Commodity Marketing Board
P.E.I. Lamb Co-Operative
P.E.I. Manufacturers' Association
P.E.I. Maple Sugar Producers
P.E.I. Market Gardeners
P.E.I. Marketing Council
P.E.I. Milk Marketing Board
P.E.I. Oystermen's Association
P.E.I. Potato Marketing Board
P.E.I. Potato Producers' Association
P.E.I. Seafood Processors' Association
P.E.I. Strawberry Growers' Association
West Prince Industrial Commission
West Prince Regional Services Centre

APPENDIX B

MARKETING COMMITTEE

Thomas L. DeBlois, Chairperson
Pius Callaghan, Vice Chairperson
Rundell Seaman
Charles Yeo
Justin McNeill

MARKETING DIVISION STAFF

Ron Atkinson	Executive Director
Jim Bliss	Director of Product Development
Stan Hayes	Director of Marketing
Ellen Rioux	Director of Special Projects
Jim Clark	Market Development Officer
Ivan Kerry	Market Development Officer
Blair MacDonald	Market Development Officer
Kerry Quinn	Market Development Officer
Arlene Ranahan	Market Development Officer
Nancy Murphy	Senior Secretary
Bernadine Taylor	Secretary

The staff of the Marketing Division would like to take this opportunity to thank all members of the Board of Directors for the time and effort they have put into the Marketing activities in the last year.

APPENDIX C

AUDITORS' REPORT

To the Board of Directors of The Prince Edward Island Market Development Corporation.

We have examined the balance sheet of The Prince Edward Island Market Development Corporation as at March 31, 1984 and the statement of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Corporation as at March 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Chartered Accountants

Summerside, Prince Edward Island
May 25, 1984

The Prince Edward Island Market Development Corporation
Balance Sheet
March 31, 1984

Assets

	1984	1983
Cash and term deposits	**$150,184**	$151,781
Receivables	**57,064**	29,595
Investment in subsidiary (Note 5)	**10,679**	5,525
Equipment and office furnishings, at cost	**68,366**	66,433
	$286,293	$253,334

Liabilities and Equity

Bank overdraft	**$171,809**	
Excess of revenue over expenditure (Note 2)	**46,118**	$186,901
Investment in equipment and office furnishings	**68,366**	66,433
	$286,293	$253,334

Commitments (Note 3)

The Prince Edward Island Market Development Corporation
Statement of Revenue and Expenditures
Year Ended March 31, 1984

	1984		1983
	Actual	**Budget**	Actual
Revenue			
Province of Prince Edward Island			
Operating grant	**$1,268,200**	**$1,268,200**	$1,382,000
Additional appropriation	**186,901**	**186,901**	171,047
	1,455,101	**1,455,101**	1,553,047
Expenditure			
Administration	**88,972**	**100,500**	101,465
Market programs	**560,075**	**603,751**	596,573
Professional services	**204,473**	**140,450**	129,129
Equipment and office furnishings	**1,897**	**1,500**	913
Materials and supplies	**39,252**	**36,400**	29,468
Salaries	**515,079**	**514,000**	485,763
Travel	**51,061**	**58,500**	70,067
	1,460,809	**1,455,101**	1,413,378
Less recoveries (Note 4)	**46,672**		45,102
	1,414,137	**1,455,101**	1,368,276
	40,964		184,771
Income from investment in subsidiary (Note 5)	**5,154**		2,130
Excess of revenue over expenditure	**46,118**		186,901
Excess of revenue over expenditure, beginning of year	**186,901**		171,047
	233,019		357,948
Reduction	**186,901**		171,047
Excess of revenue over expenditure, end of year	**$ 46,118**		$ 186,901

The Prince Edward Island Market Development Corporation
The Prince Edward Island Market Development Corporation
Notes to Financial Statements
March 31, 1984

5. Investment in subsidiary

On the instructions of Executive Council of the Province of Prince Edward Island, the Corporation was directed to purchase and operate Ward Holdings Ltd.

The following is a condensed version of the assets and liabilities, and results of operations of Ward Holdings Ltd. as shown in the financial statements for the year ended March 31, 1984.

BALANCE SHEET

		1984	1983
ASSETS	Current assets	**$ 12,543**	$ 8,524
	Equipment (Note 1)	**1**	1
		$ 12,544	$ 8,525
LIABILITIES	Current liabilities	**$ 1,865**	$ 3,000
SHAREHOLDERS' EQUITY			
	Capital stock	**2,500**	2,500
	Retained earnings	**8,179**	3,025
		10,679	5,525
		$ 12,544	**$ 8,525**

STATEMENT OF INCOME

	Year Ended March, 1984	Year Ended March, 1983
Revenue	**$160,990**	$136,360
Expenses	**155,836**	134,230
Net income	**$ 5,154**	$ 2,130

Note 1: Ward Holdings Ltd. follows the method of writing off fixed assets in the year of purchase. Accordingly the fixed assets which had a cost of $226,089 (1983 $209,223) are carried in the financial statements at the nominal value of $1.

Note 2: Contingent liability

The company is contingently liable for legal action taken by an individual who is claiming damages as a result of a dispute over the quality of his crop. Although the outcome of the legal action is undeterminable at this time, it is estimated that the amount of the claim would not exceed $6,000.00 provided the company was unsuccessful in defending the action. If the company is unsuccessful the amount of the claim is to be reflected in the period in which the settlement occurs.

6. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

The Prince Edward Island Market Development Corporation
Expenditures
Year Ended March 31, 1984

		1984	1983
	Actual	**Budget**	Actual
Administration			
Office supplies and postage	**$ 14,555**	**$ 15,000**	$ 15,099
Telephone and telegraph	**21,194**	**27,000**	23,764
Office rent	**44,799**	**47,500**	48,928
Legal and auditing fees	**3,556**	**5,000**	2,700
Property taxes			6,818
Miscellaneous	**4,868**	**6,000**	4,156
	88,972	**100,500**	101,465
Market programs (net of recoveries of $97,161)	**560,075**	**603,751**	596,573
Professional services	**204,473**	**140,450**	129,129
Equipment and office furnishings	**1,897**	**1,500**	913
Materials and supplies			
Field supplies	**4,179**	**6,000**	1,768
Power and lights	**14,597**	**12,000**	11,333
Miscellaneous		**1,000**	
Repairs and maintenance	**1,398**	**600**	119
Books and printing	**4,104**	**4,800**	3,779
Equipment rental	**14,974**	**12,000**	12,469
	39,252	**36,400**	29,468
Salaries			
Unemployment insurance	**10,754**	**9,100**	7,263
Company pension	**25,887**	**22,890**	22,591
Life and medical insurance	**6,336**	**6,280**	6,114
Canada pension	**5,388**	**4,500**	4,603
Dental plan	**1,586**	**1,430**	1,380
Staff training			160
Tuition reimbursement	**239**		312
Salaries (net of $46,653 recoveries)	**454,345**	**457,800**	431,681
Casual wages			977
Honorarium	**9,900**	**10,000**	9,750
Honorarium expense	**644**	**2,000**	932
	515,079	**514,000**	485,763
Travel			
Projects	**37,218**	**46,500**	57,804
General	**3,348**	**6,000**	6,004
Leased vehicle costs	**10,495**	**6,000**	6,259
	51,061	**58,500**	70,067
	$1,460,809	**$1,455,101**	$1,413,378